

# MUTALE MUNICIPALITY



***DRAFT 2014/2015- 2016/2017  
MEDIUM TERM REVENUE  
&  
EXPENDITURE FRAMEWORK***

## 1. Table of Content

No	Section Description	Page No	Annexure No
	Table of Content	1	
	<b>PART 1 – ANNUAL BUDGET</b>		
	Mayor’s Report (Budget Speech)	2	
	Resolutions	3-4	
	Executive summary	5-7	
	Annual budget tables	7	A and B
	<b>PART 2 –SUPPORTING DOCUMENTATION</b>		
	Overview of annual budget process	8-9	
	Overview of alignment of annual budget with Integrated Development Plan	10-14	C
	Measurable performance objectives and indicators	14-19	C
	Overview of budget-related policies	19	D
	Overview of budget assumptions	20	C
	Overview of budget funding	21-23	C
	Expenditure on allocations and grant programmes	23-26	C
	Councilor and board member allowances and employee benefits	27-31	C
	Monthly targets for revenue, expenditure and cash flow	31-43	C
	Annual budgets and service delivery and budget implementation plans- internal departments	44	E
	Contracts having future budgetary implications	45-46	C
	Capital expenditure details	46-57	C
	Legislation compliance status	57	
	Other supporting documents	58-67	E
	Municipal manager’s quality certification	68	
	Annexures A	69-85	
	Annexure B	86-129	
	Annexure C	130-142	
	Annexure D	143-147	

## **2. MAYOR'S REPORT**

## 2. Budget Resolutions

*On 31 March 2014 the Council of Mutale municipality met in the Council Chamber of Mutale municipality to consider the annual budget of the municipality for the financial year 2014/15. The Council approved and adopted the following resolutions:*

- 1 That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the Mutale Municipality for the financial year 2014/15; and indicative allocations for the two projected outer years 2015/16 and 2016/17; and the multi-year and single year capital appropriations are tabled as set-out in the following tables:**
  - 1.1 Budgeted Financial Performance (revenue and expenditure by standard classification);
  - 1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote);
  - 1.3 Budgeted Financial Performance (revenue by source and expenditure by type); and
  - 1.4 Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source
  
- 2 That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set-out in the following tables:**
  - 2.1 Budgeted Financial Position;
  - 2.2 Budgeted Cash Flows;
  - 2.3 Cash backed reserves and accumulated surplus reconciliation;
  - 2.4 Asset management; and
  - 2.5 Basic service delivery measurement.
  
- 3 That the consolidated budget that includes the financial impact of all municipal entities is noted.**
  
- 4 That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out in Budget Chapter 21 and annexure A respectively that were used to prepare the estimates of revenue by source, are tabled with effect from 1 July 2014.**

- 5 That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy (or the amendments to the rates policy) as set out in Budget Chapter 19 and Annexure A is tabled.
- 6 That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in Supporting Table SA7 are tabled.
- 7 That in terms of section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 of 2003, the amendments to the integrated development plan as set out in Budget Chapter 17 are tabled.
- 8 That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, the budget-related policies, including any amendments as set out in Budget Chapter 19 are tabled for the budget year 2014/15.
- 9 That the Basic Services Package as set out in Budget Chapter 19 is tabled for the budget year 2014/15.

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**NETSHIPISE LIVHUWANI HILDA  
SPEAKER**

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**DATE**

## 2. Executive Summary

The budget has been compiled and funded in terms section 18 (1) of Municipal Finance Management Act. The results from consultative forums were considered and positively and taken.

The budget process plan was prepared and tabled to council and approved on 28 August 2013. On the 31 March 2013, the draft Integrated Development Plan, draft Budget, draft Organizational structure and draft tariff structure were tabled to council. Public Participation will be conducted during April 2014 in all thirteen wards.

The revenue sources to fund both operating and capital expenditure for 2014/2015 financial year are as follows

Grants and Subsidies	R 93,120,000 million
Accumulated Funds [own/other income]	R 11,774,875 million
External Borrowings	<u>R = nil</u>
<b>Total Income Budget</b>	<b>R104, 894,875 million</b>

The Capital budget for 2014/2015 financial year is R33,627,100 million

The operating budget for 2014/2015 is subdivided as follows:

Employee related costs	R34, 786,674 million
Councilors remuneration	R 7,460,896 million
Repairs & Maintenance	R 5,373,116 million
General Expenditure	<u>R22, 187,716 million</u>
<b>Total operating expenditure</b>	<b>R69, 808,402 million</b>

Municipal Tariffs have been generally increased by 5.4%.

Past financial performances for the past two years are indicated below:

<b>REVENUE</b>	<b>2011/2012</b>	<b>2012/2013</b>
	<b>“000”</b>	<b>“000”</b>
Property rates	3,316	1,440
Service charges	225	249
Rental of facilities	64	55
Interest- income	1,538	976
License and permits	2,290	2,107
Fines	196	538
Grants	6945	6,4412
Other revenue	2,324	1,199
<b>EXPENDITURE</b>		
Employee related costs	25,157	28,537
Councilors allowance	6,417	6,631
Repairs and maintenance	2,229	1,309
General expenditure	17,482	13,795
<b>NET SUPLUS/ DEFICIT</b>	<b>20,062</b>	<b>16,177</b>

The priorities as outlined in the Integrated Development Plan are in line with the National, Provincial and District priorities covers (amongst others)

1. job creation
2. local economic development
3. basic service delivery (access to water, sanitation, electricity, refuse removal and municipal roads)
4. financial management (clean audit, revenue enhancement, asset management etc)
5. public participation

The Budgetary constraint that the municipality is facing is the extent of operational budget which exceeds the capital budget. The contributing factor is the salary budget which consumes bigger percentage of the whole budget. This is due to high staff component that is a result of transfer of staff from sector departments to

local municipality. Furthermore National Treasury gives a minimal allocation in respect MIG which is solely utilized to implement capital projects. Whilst the municipality is having a bigger percentage of the budget being salaries (69%), annually there are salary increments which should be affected with low revenue base which the municipality have

This situation will continue until such time that the municipality has improved its revenue base and utilizes that improvement to implement capital projects.

In the year 2014/2015 A multi year project to tar Tshilamba streets will continue. A Rubber dozer will be purchased. See supporting table SA36 for a (Summary of detailed Capital budget) for the years.

### **Tariff Policies**

Municipality tariff policy provide a board framework within which the council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation for the next three years.

## **3.1 Annual budget tables**

The budget tables are detailed in **annexure A**. It includes the following:

Number	Description
Table A1	Budget Summary
Table A2	Budgeted Financial Performance (revenue and expenditure by classification)
Table A3	Budgeted Financial Performance (revenue and expenditure by municipal vote)
Table A4	Budgeted Financial Table Performance(revenue and expenditure)
Table A5	Budgeted Capital Expenditure by vote, standard classification and funding
Table A6	Budgeted Financial Position
Table A7	Budgeted Cash Flows
Table A8	Cash backed reserves/accumulated surplus reconciliation
Table A9	Asset management
Table A10	Basic service delivery measurement



## 4. SUPPORTING DOCUMENTATION

The budget is accompanied by supporting documents in terms of section 17 (3) of the MFMA.  
*See supporting tables SA1 –SA 37 in annexure B*

### 4.1 Overview of annual budget process

The budget process plan was prepared and tabled to council on the 31 August 2013. The budget instructions were issued to head of departments in September 2013 for submission of the budget proposals to the Chief Financial Officer for consolidation. The IDP and budget public participation will held during April 2014 in all thirteen wards.

➤ **Political oversight of the budget process**

The link between priorities and spending plans lies in enhancing political oversight of the budget process. Section 53(1)(a) of the MFMA states that the Mayor of a municipality must provide political guidance over the budget process and priorities that must guide the preparation of the budget. This is essential to ensure that:

- The political Executive is responsible for policy prioritization
- Policy priorities are linked to department spending plans and the delivery of quality services.

Political oversight of the budget process allows municipality to manage the tension between competing policy priorities and fiscal realities. The key to strengthen the linkage between priorities and departmental plans lies in enhancing political oversight of the IDP and budget process. The Executive committee and extensive community consultation process play a leading role in guiding the alignment of resource allocation with national, provincial and local priorities.

➤ **Schedule of Key deadlines relating to the budget process MFMA s 21(1)(b)**

The budget time schedule for the compilation of the draft 2014/2015 MTREF was approved by Council on 31 August 2013

➤ **Process of tabling and approval of the draft**

Tabling to Council of draft 2014/2015 MTREF for community consultation process was done on 31 March 2014

➤ **Consultation with stakeholders and outcomes**

The draft 2013/2014 MTREF had been tabled before council on 31 March 2014 for community consultation was made available on municipality's website and hard copies was made available at various Tribal Council offices.

All documents in the appropriate format (Electronic & Printed) were provided to Provincial Treasury in accordance with the MFMA, to give opportunity for their inputs.

Community consultation process will take place during April 2014

After consideration of all budget submission the Mayor will be given opportunity to respond, if necessary revise the budget and table amendments for consideration.

➤ **Stakeholders involved in consultations**

The stakeholders involved are organized businesses, churches, non-governmental institutions, community-based organizations and individual members of the public.

The budget is submitted to Provincial treasury, National treasury and COGSTA today on 01 April 2014 for their consideration, in line with section 23 of the MFMA.

## 5.1 Overview of alignment of budget with Integrated Development Plan

The programs and Projects that have been reflected in the Integrated Development Plan have been budgeted for. The positions reflected in the Organizational structure will all be filled in the budget year 2014/2015.

### 1. Vision

A developmental Municipality that ensures sustainable economic growth and equitable service delivery

### 2. Mission

“We strive to provide quality service & building local economy through information and knowledge building, strong partnerships in harmony with the natural environment.”

### 3. Core Values and Operating Principles

- Deliver on the mandate of the people of Mutale
- Achieve state-led development through an effective Intergovernmental Relations System (IGR);
- Drive integrated development
  - Ensure transparency and accountability;
  - Provide quality service delivery and implement Batho Pele;
- Build institutional capacity and achieve transformation;
- Develop strategic partnerships;
- Achieve people-centered development
- Use e-governance as a means to make government accessible to the people.

### 4. Integrated Development Plan

The Constitution of the Republic of South Africa (1996) commits Government to undertake the measures that will ensure that all South Africans

have access to adequate housing, health care, education, food, water and social security.

Local Government has as duty to ensure that the abovementioned is achieved through the implementation of development policies and legislation that supports the developmental goals of South Africa

Integrated developmental planning in the South African context is amongst other an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development.

Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

In 2000 the Municipal Systems Act 32 of 2000 (MSA) came into operation. According to Section 25(1) of the Act each municipal council must, after the start of its elected term, adopt a single, inclusive, and strategic plan for the development of the municipality which

- Links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- Aligns the resources and capacity of the municipality with the implementation of the plan
- Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation

##### **5. The five- Year strategic objective Integrated Development Plan**

This document comprises the five-year strategic plan and programme of action for the Mutale Municipality embarked on strategic and developmental processes to ensure that it fulfills its mandate and obligations as per the Constitution of South Africa, to

- Provide services in a sustainable manner
- Promote social and economic development
- Promote a safe and healthy environment
- Give priority to the basic needs of communities; and
- Encourage the involvement of communities in the matters of local government

## 6. Aligning budget priorities

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Mutale Municipality to align its budget priorities with that of National and provincial government. It is evident that all spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery and poverty alleviation and building sound institutional arrangements

### NATIONAL PRIORITIES

- Efficient and effective public services
- Job creation
- Procurement reforms and fighting corruption

LIM342 Mutale - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial viability	Good sound Financial Management			945	4,647	42,881	59,353	57,887	57,887	71,236	94,745	98,320
Service delivery and Infrastructure Development	Continuous improvement on basic service infrastructure development			6,488	4,170	536	27,706	49,572	49,572	28,455	27,359	27,952
Safety and security	Safety on the road			2,820	2,469	196	4,111	3,571	3,571	3,771	3,975	4,189
Good governance and public participation	Promote a culture of accountability, participatory, responsiveness, transparency and clean governance			56,272	56,419	684	1,239	640	640	1,264	1,332	1,404

Local Economic Development	Sustainable economic growth and improve livelihoods of the people through LED						130	160	160	169	178	188					
Allocations to other priorities			2														
Total Revenue (excluding capital transfers and contributions)			1	66,526	67,705	44,298	92,538	111,829	111,829	104,895	127,589	132,053					

**LIM342 Mutale - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)**

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial vability	Good sound Financial Management			9,654	14,312	20,891	15,427	16,189	16,189	17,781	18,813	19,907
Service delivery and Infrastructure Development	Continous improvement on basic service infrastructure development			16,794	28,694	1,732	15,835	13,033	13,033	15,830	16,774	17,774
Safety and security	Safety on the road			3,866	4,433	–	6,012	5,399	5,399	5,907	6,277	6,670
Local Economic Development	Sustainable economic growth and improve livelihoods of the people through LED			3,524	3,355	1,715	6,620	6,167	6,167	7,321	7,761	8,228
Good governance and public participation	Promote a culture of accountability, participatory, responsiveness, transparency and clean governance			13,906	12,982	4,217	20,221	20,633	20,633	22,970	24,300	25,708
Allocations to other priorities												
Total Expenditure			1	47,744	63,775	28,554	64,115	61,421	61,421	69,808	73,926	78,288

LIM342 Mutale - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial viability	Good sound Financial Management	A		9,350	5,000	3,429	350	450	450	60	70	80
Service delivery and Infrastructure Development	Continuous improvement on basic service infrastructure development	B		13,579	10,475	7,645	24,123	45,323	45,323	31,945	35,855	30,564
Safety and security	Safety on the road	C		1,450	150	–	3,255	815	815	1,020	1,680	1,710
Good governance and public participation	Promote a culture of accountability, participatory, responsiveness, transparency and clean governance	D		–	160	7,278	690	235	235	602	1,002	400
Local Economic Development	Sustainable economic growth and improve livelihoods of the people through LED	E					5	205	205	–	–	–
Allocations to other priorities			3									
Total Capital Expenditure			1	24,379	15,785	18,352	28,423	47,028	47,028	33,627	38,607	32,754

## 5.2 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system is constantly refined as the integrated planning process unfolds. The Municipal targets, monitors, assess, and reviews organizational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple year is being considered; plans and budget for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during *the last stage*, the performance information process begins when policies are being developed, and continues through each of the planning, budget, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

### **Planning, budgeting and reporting cycle**

The performance of Mutale municipality relates directly to the extent to which it has achieved success in realizing its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators and success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the *Framework of Managing Programme Performance Information* issued by the National Treasury:

### **2.3.1. Performance indicators and benchmarks**

#### **2.3.1.1. Borrowing Management**



Capital expenditure in local government can be funded by capital grants, own- source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its credit worthiness and financial position. The following financial performance indicators have formed part of the compilation of the 2014/2015 MTREF:

- Borrowing to asset ratio is a measure of long-term borrowing as a percentage of total asset base of municipal.
- Borrowing funding of own expenditure measure the degree to which own capital expenditure (excluding grants and contribution) has been founded by way of borrowing.

#### **2.3.1.2 Safety of Capital**

- The debt-to-equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipal's assets.
- The gearing ratio is a measure of total long term borrowing over funds and reserves.

#### **2.3.1.3 Liquidity**

- Current ratio is a measure of the current assets divided by the current liabilities
- The liquidity ratio is a measure of ability of municipal to utilized cash and cash equivalent to extinguish or retire its current liabilities immediately.

#### **2.3.1.4 Revenue Management**

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash flow.

#### **2.3.2 Free Basic Services: basic social services package for indigent household**

- The social package assists households that have difficulty paying for service and registered as indigent household in terms of the Indigent Policy of Mutale municipality.





Debtors > 90 days											
Monthly fixed operational expenditure		2,783	3,106	3,446	4,227	4,038	4,038	–	4,545	4,817	5,134
Fixed operational expenditure % assumption		40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Own capex		4,738	(20,066)	240	4,640	2,580	2,580	–	10,772	14,602	7,820
Borrowing		–	(243)	–	–	–	–	–	–	–	–

## 5.3 Overview of budget-related policies

### Review of supply chain management policy

The Supply Chain Management Policy has been reviewed and approved on 31 May 2013.

**There are no changes on other budget related policies:**

- Supply Chain Management Policy
- Cash Management Policy
- Fixed Asset Policy
- Revenue management Policy
- Property Rates Policy
- Risk management policy
- Tariff policy
- Indigent policy
- Virement policy
- Budget policy
- Borrowing policy
- Funding and Reserve policy
- Capital Infrastructure Investment policy

## 5.4 Overview of budget assumptions

The growth rate used for the medium term budget and tariff increase is 5.4%

**1. National priority- Expanding public sector investment in infrastructure**

Domestically, after five years of strong growth, during which about five hundred jobs were created, we still intend to create five hundred more jobs.

**2. Image of local government**

There are 5 keys factors that have been taken into consideration in the compilation of the 2013/14 MTREF

**3. Procurement reforms and fighting corruption**

Our Supply Chain Management policy have been reviewed and approved by Council on 31 January 2013.

**4. Taking the 2011 Local Government Budgets and Expenditure Review forward**

The review highlights the following:

- Revenue management
- Collecting outstanding debts
- Pricing services correctly
- Under spending on repairs and maintenance
- Spending on non-priorities base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over long term

**5. Local government equitable share formula review and 2011 Census**

**6. Impact of the new formula on our municipal budget**

Our equitable share and Municipal Infrastructure Grant have increased.

**7. Local government conditional grants and additional allocations to local government**

**8. Council oversight over the budget process**

**9. Regulation of SCOA for local government**

**10. Financial applications (systems) and the impact of SCOA**

**11. Management accounting and tariff setting**

**12. Municipal budget and benchmark engagements and timeframes for tabling MTREF'S**

## 5.5 Overview of budget funding

The budget is funded by the following sources:

- Rates, tariffs and other charges
- Grant allocations

The table below illustrates the breakdown of operating revenue over the medium-term:

	2014/15 Medium Term Revenue & Expenditure Framework					
	Budget Year		Budget Year +1		Budget Year +2	
	2014/2015	%	2015/2016	%	2016/2017	%
-						
Property rates	2,150,000	3%	2,150,000	2%	2,150,000	2%
Service charges	943,246	1%	989,465	1%	1,098,496	1%
Investment revenue	1,320,000	2%	820,000	1%	820,000	1%
Transfers recognized-operational	70,264,900	86%	92,973,400	90%	96,594,300	90%
Other own revenue	7,361,630	9%	6,651,158	6%	6,456,320	6%
<b>Total operating revenue</b>	<b>82,039,776</b>	<b>100%</b>	<b>103,584,023</b>	<b>100%</b>	<b>107,119,116</b>	<b>100%</b>
(excluding capital transfers)						
<b>Total operating expenditure</b>	<b>69,808,402</b>		<b>73,925,707</b>		<b>78,287,609</b>	
Surplus/Deficit	<b>35,086,474</b>		53,662,917		53,765,207	

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue solid waste removal, rental of properties, Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 70 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts. The proposed tariff increases for the 2013/14 MTREF on the different revenue categories is 5.5%,

[illegible]





<u>Operating expenditure of Transfers and Grants</u>										
National Government:		25,981	31,725	39,276	54,714	55,749	55,749	69,062	91,710	95,282
Local Government Equitable Share		24,577	29,975	37,232	51,174	51,174	51,174	64,971	88,793	92,164
Finance Management		1,000	1,000	1,254	1,650	1,650	1,650	1,800	1,950	2,100
Municipal Systems Improvement		405	750	790	890	890	890	934	967	1,018
EPWP Incentive		-	-	-	1,000	1,000	1,000	1,357	-	-
Other transfers/grants [insert description]		-	-			1,035	1,035	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality:		23,180	19,389	4,726	-	-	-	-	-	-
<i>[Operation and maintenance]</i>		23,180	19,389	4,726						
Other grant providers:		-	410	444	-	-	-	-	-	-
<i>LED</i>			410	444						
Total operating expenditure of Transfers and Grants:		49,161	51,524	44,446	54,714	55,749	55,749	69,062	91,710	95,282
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		10,046	11,056	13,910	23,783	44,448	44,448	24,058	25,268	26,246
Municipal Infrastructure Grant (MIG)		10,046	11,056	13,910	20,783	19,748	19,748	24,058	25,268	26,246
					-	24,700	24,700	-	-	-
Other capital transfers/grants [DEAE]					3,000	-	-			





[illegible]

Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		501	2,625	3,060	2,972	3,065	3,065	3,394	3,612	3,843
% increase	4		424.3%	16.6%	(2.9%)	3.1%	-	10.8%	6.4%	6.4%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		24,039	25,827	15,558	21,102	19,935	19,935	22,207	23,628	25,141
Pension and UIF Contributions		5,367	3,932	3,594	4,257	4,019	4,019	4,524	4,813	5,121
Medical Aid Contributions		1,975	290	228	476	521	521	521	555	590
Overtime		439	701	452	382	382	382	382	407	433
Performance Bonus		258	-		500	500	500	500	532	566
Motor Vehicle Allowance	3	-	958	2,238	2,435	2,063	2,063	2,348	2,498	2,658
Cellphone Allowance	3	-	83	145	160	132	132	143	152	162
Housing Allowances	3	811	1,227	34	45	45	45	45	48	51
Other benefits and allowances	3	606	1,308		406	402	402	447	475	506
Payments in lieu of leave					75	75	75	75	80	85
Long service awards				227	200	200	200	200	213	226
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		33,495	34,326	22,476	30,038	28,274	28,274	31,392	33,401	35,539
% increase	4		2.5%	(34.5%)	33.6%	(5.9%)	-	11.0%	6.4%	6.4%
Total Parent Municipality		41,075	52,923	25,536	39,895	38,411	38,411	42,248	44,877	47,670
			28.8%	(51.7%)	56.2%	(3.7%)	-	10.0%	6.2%	6.2%

LIM342 Mutale - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)								
Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<u>Councillors</u>	3							
Speaker	4		339,872	59,977	156,735			556,585
Chief Whip			318,631	56,229	148,589			523,449
Executive Mayor			424,841	74,972	189,319			689,132
Deputy Executive Mayor			–	–	–			–
Executive Committee			832,688	146,945	424,922			1,404,555
Total for all other councillors			2,421,595	427,340	1,438,240			4,287,175
Total Councillors	8	–	4,337,627	765,464	2,357,805			7,460,896
<u>Senior Managers of the Municipality</u>	5							
Municipal Manager (MM)			505,651	145,882	224,555			876,087
Chief Finance Officer			484,496	100,903	224,699			810,097
Technical Manager			484,762	182,880	147,130			814,772
Corporate manager			484,762	108,432	199,210			792,404
								–
								–
<i>List of each official with packages &gt;= senior manager</i>								
Municipal Manager (MM)			505,651	145,882	224,555			876,087
Chief Finance Officer			484,496	100,903	224,699			810,097
Technical Manager			484,762	182,880	147,130			814,772
Corporate manager			484,762	108,432	199,210			792,404
								–
								–
								–
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	3,919,340	1,076,194	1,591,186	–		6,586,720

LIM342 Mutale - Supporting Table SA24 Summary of personnel numbers										
Summary of Personnel Numbers	Ref	2012/13			Current Year 2013/14			Budget Year 2014/15		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)				26			26			26
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	4		4	4	4		14	10	4
Other Managers	7	11	9		14	14		22	22	
Professionals		134	114	–	128	124	–	44	43	1
Finance		27	25		27	25		26	25	1
Spatial/town planning		18	17		18	17		2	2	
Information Technology		1	1		2	2		3	3	
Roads		10	10		10	10				
Electricity		–	–		1	–				
Water		–	–		–	–				
Sanitation		–	–		–	–		11	11	
Refuse		10	10		10	10				
Other		68	51		60	60		2	2	
Technicians		–	–	9	–	10	–	47	47	–
Finance								1	1	
Spatial/town planning								2	2	
Information Technology								3	3	
Roads										
Electricity										
Water										
Sanitation								11	11	

<i>Refuse</i>										
<i>Other</i>				9		10		30	30	
Clerks (Clerical and administrative)								27	27	
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades								6	6	
Plant and Machine Operators										
Elementary Occupations								28	28	
TOTAL PERSONNEL NUMBERS	9	149	123	39	146	152	26	188	183	31
% increase					(2.0%)	23.6%	(33.3%)	28.8%	20.4%	19.2%
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

## 5.8 Monthly targets for revenue, expenditure and cash flow

Description	Re f	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	Augu st	Sept.	Octob er	Novemb er	Decemb er	Janua ry	Februa ry	Marc h	April	May	June	Budg et Year 2014/ 15	Budg et Year +1 2015/ 16	Budg et Year +2 2016/ 17
<u>Revenue By Source</u>	-															
Property rates		179	179	179	179	179	179	179	179	179	179	179	179	2,150	2,150	2,150
Service charges - refuse revenue		79	79	79	79	79	79	79	79	79	79	79	79	943	989	1,098
Service charges - other													-	-	-	-
Rental of facilities and equipment		6	6	6	6	6	6	6	6	6	6	6	6	75	79	83
Interest earned -		27	53		53			107		27	53		-	320	320	320



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<u>Vote</u>																
Vote 1 - EXECUTIVE AND COUNCIL													-	-	-	-
Vote 2 - MUNICIPAL MANAGER'S OFFICE		14	14	14	14	14	14	14	14	14	14	14	14	169	178	188
Vote 3 - BUDGET AND TREASURY OFFICE		24,6 80	316	316	316	21,973	316	316	316	21,9 20	263	263	244	71,23 6	94,74 5	98,32 0
Vote 4 - INFRASTRUCTURE DEVELOPMENT		6,10 9	5,474	396	396	596	396	6,849	696	396	6,10 9	696	344	28,45 5	27,35 9	27,95 2
Vote 5 - CORPORATE SERVICES		420	420	420	420	420	420	420	420	420	420	420	420	5,035	5,307	5,593
Total Revenue by Vote		31,2 23	6,223	1,145	1,145	23,002	1,145	7,599	1,445	22,7 49	6,80 6	1,392	1,021	104,8 95	127,5 89	132,0 53
<u>Expenditure by Vote to be appropriated</u>	-															
Vote 1 - EXECUTIVE AND COUNCIL		630	630	630	630	630	630	630	1,998	870	870	870	870	9,889	10,42 3	10,98 6
Vote 2 - MUNICIPAL MANAGER'S OFFICE		610	610	610	610	610	610	610	610	610	610	610	610	7,321	7,761	8,228
Vote 3 - BUDGET AND TREASURY OFFICE		1,48 2	1,482	1,482	1,482	1,482	1,482	1,482	1,482	1,48 2	1,48 2	1,482	1,482	17,78 1	18,81 3	19,90 7
Vote 4 - INFRASTRUCTURE DEVELOPMENT		1,31 9	1,319	1,319	1,319	1,319	1,319	1,319	1,319	1,31 9	1,31 9	1,319	1,319	15,83 0	16,77 4	17,77 4
Vote 5 - CORPORATE SERVICES		1,58 2	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,58 2	1,58 2	1,582	1,582	18,98 8	20,15 4	21,39 3
Total Expenditure by		5,62	5,623	5,623	5,623	5,623	5,623	5,623	6,991	5,86	5,86	5,863	5,863	69,80	73,92	78,28

Vote		3								3	3			8	6	8
Surplus/(Deficit ) before assoc.		25,600	600	(4,478)	(4,478)	17,379	(4,478)	1,975	(5,546)	16,885	942	(4,472)	(4,842)	35,086	53,663	53,765
Taxation													—	—	—	—
Attributable to minorities													—	—	—	—
Share of surplus/ (deficit) of associate													—	—	—	—
Surplus/(Deficit )	1	25,600	600	(4,478)	(4,478)	17,379	(4,478)	1,975	(5,546)	16,885	942	(4,472)	(4,842)	35,086	53,663	53,765

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recreation													-	-	-	-
Public safety		17	17	17	17	17	17	17	17	17	17	17	17	201	212	223
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		6,184	6,648	470	470	670	570	6,924	770	470	6,184	770	661	30,794	29,829	30,499
Planning and development		75	1,175	75	75	75	175	75	75	75	75	75	75	2,096	1,102	607
Road transport		6,109	5,474	396	396	596	396	6,849	696	396	6,109	696	586	28,697	28,727	29,892
Environmental protection													-	-	-	-
<i>Trading services</i>		79	79	79	79	79	79	79	79	79	79	79	79	943	989	1,098
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management		79	79	79	79	79	79	79	79	79	79	79	79	943	989	1,098
<i>Other</i>		14	14	14	14	14	14	14	14	14	14	14	14	169	178	188
Total Revenue - Standard		31,103	7,203	1,025	1,025	22,882	1,125	7,479	1,325	22,629	6,685	1,272	1,143	104,895	127,589	132,053
			8,402	1,124	1,124	22,981	1,324	7,577	1,424	22,727	6,784	1,370				
<u>Expenditure - Standard</u>	-															
<i>Governance and administration</i>		3,772	3,772	3,772	3,772	3,772	3,772	3,772	5,140	4,012	4,012	4,012	4,012	47,595	50,369	53,305
Executive and council		1,240	1,240	1,240	1,240	1,240	1,240	1,240	2,608	1,480	1,480	1,480	1,480	17,210	18,184	19,214
Budget and treasury office		1,482	1,482	1,482	1,482	1,482	1,482	1,482	1,482	1,482	1,482	1,482	1,482	17,781	18,813	19,907
Corporate services		1,05	1,050	1,05	1,050	1,050	1,050	1,050	1,050	1,05	1,05	1,05	1,05	12,60	13,37	14,18

		0		0						0	0	0	0	5	1	5
<i>Community and public safety</i>		54	54	54	54	54	54	54	54	54	54	54	864	1,462	1,547	1,637
Community and social services													–	–	–	–
Sport and recreation		40	40	40	40	40	40	40	40	40	40	40	40	476	506	538
Public safety													809	809	853	899
Housing		15	15	15	15	15	15	15	15	15	15	15	15	177	189	201
Health													–	–	–	–
<i>Economic and environmental services</i>		1,467	1,467	1,467	1,467	1,467	1,467	1,467	1,467	1,467	1,467	1,467	1,467	17,604	18,679	19,820
Planning and development		253	253	253	253	253	253	253	253	253	253	253	253	3,038	3,220	3,413
Road transport		1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	14,566	15,459	16,407
Environmental protection													–	–	–	–
<i>Trading services</i>		262	262	262	262	262	262	262	262	262	262	262	262	3,147	3,331	3,525
Electricity		148	148	148	148	148	148	148	148	148	148	148	148	1,770	1,866	1,966
Water													–	–	–	–
Waste water management													–	–	–	–
Waste management		115	115	115	115	115	115	115	115	115	115	115	115	1,377	1,465	1,559
<i>Other</i>													–	–	–	–
Total Expenditure - Standard		5,556	5,556	5,556	5,556	5,556	5,556	5,556	6,924	5,796	5,796	5,796	6,605	69,808	73,926	78,288
Surplus/(Deficit) before assoc.		25,547	1,647	(4,531)	(4,531)	17,326	(4,431)	1,923	(5,599)	16,833	889	(4,524)	(5,462)	35,086	53,663	53,765
Share of surplus/(deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	25,547	1,647	(4,531)	(4,531)	17,326	(4,431)	1,923	(5,599)	16,833	889	(4,524)	(5,462)	35,086	53,663	53,765

LIM342 Mutale - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)																
Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<u>Multi-year expenditure to be appropriated</u>	1															
Vote 1 - EXECUTIVE AND COUNCIL													-	-	-	-
Vote 2 - MUNICIPAL MANAGER'S OFFICE													-	-	-	-
Vote 3 - BUDGET AND TREASURY OFFICE													-	-	-	-
Vote 4 - INFRASTRUCTURE DEVELOPMENT		1,500	2,000	4,000	3,000	3,000	-	3,000	-	3,000	3,000	-	355	22,855	24,005	24,934
Vote 5 - CORPORATE SERVICES													-	-	-	-
Capital multi-year expenditure sub-total	2	1,500	2,000	4,000	3,000	3,000	-	3,000	-	3,000	3,000	-	355	22,855	24,005	24,934
<u>Single-year expenditure to be appropriated</u>																
Vote 1 - EXECUTIVE AND COUNCIL													-	-	-	-
Vote 2 - MUNICIPAL MANAGER'S OFFICE													-	-	-	-
Vote 3 - BUDGET AND TREASURY OFFICE				40					20				-	60	70	80
Vote 4 - INFRASTRUCTURE DEVELOPMENT		20	385	5,010	80	505	-	2,383	100		204		403	9,090	11,850	5,630





development		20	30		80								-	130	-	-
Road transport		1,500	2,000	4,000	3,000	3,000	-	3,000	-	3,000	3,000	-	55	22,555	20,500	14,934
Environmental protection													-	-	-	-
Trading services		-	50	10	-	-	-	2,400	-	-	-	-	-	2,460	50	30
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management			50	10				2,400					-	2,460	50	30
Other		50		5,000		100		250			300		800	6,500	11,800	5,600
Total Capital Expenditure - Standard	2	1,572	2,685	9,070	3,080	3,525	-	5,673	320	3,002	3,504	100	1,096	33,627	38,607	32,754
Funded by:																
National Government		2,855	-	5,000	-	3,000	-	3,000	3,000	3,000	3,000	-	0	22,855	24,005	24,934
Provincial Government													-	-	-	-
District Municipality													-	-	-	-
Other transfers and grants													-	-	-	-
Transfers recognized - capital		2,855	-	5,000	-	3,000	-	3,000	3,000	3,000	3,000	-	0	22,855	24,005	24,934
Public contributions & donations													-	-	-	-
Borrowing													-	-	-	-
Internally generated funds		898	1,898	898	898	798	598	598	898	898	898	898	598	10,772	14,602	7,820
Total Capital Funding		3,753	1,898	5,898	898	3,798	598	3,598	3,898	3,898	3,898	898	598	33,627	38,607	32,754





grants - other municipalities												-			
Transfers and grants - other												-			
Other expenditure	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	18,062	19,037	20,065
Cash Payments by Type	5,141	5,141	5,841	5,141	5,141	5,141	5,141	5,141	5,541	5,141	5,141	5,241	62,896	66,640	70,609
Other Cash Flows/Payments by Type															
Capital assets	1,500	2,000	5,000	3,000	3,000	2,400	3,000	3,000	3,000	3,000	3,000	1,727	33,627	38,607	32,754
Repayment of borrowing	29	29	29	29	29	29	29	29	29	29	29	29	349	394	106
Other Cash Flows/Payments		360		720	70	360	100		80	110		-	1,800	1,897	2,000
Total Cash Payments by Type	6,670	7,530	10,870	8,890	8,240	7,930	8,270	8,170	8,650	8,280	8,170	6,998	98,672	107,538	105,468
NET INCREASE/(DECREASE) IN CASH HELD	24,115	(1,045)	(9,795)	(8,181)	14,072	(6,704)	(1,252)	(7,118)	13,704	(1,254)	(7,515)	(2,914)	6,114	20,281	26,848
Cash/cash equivalents at the month/year begin:	81	24,196	23,151	13,356	5,175	19,247	12,544	11,292	4,174	17,878	16,624	9,110	81	6,195	26,476
Cash/cash equivalents at the month/year end:	24,196	23,151	13,356	5,175	19,247	12,544	11,292	4,174	17,878	16,624	9,110	6,195	6,195	26,476	53,325

## **5.9 Annual budgets and service delivery and budget implementation plans-internal departments**

## 5.10 Contracts having future budgetary implications

In terms of Mutale municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

LIM342 Mutale - Supporting Table SA35 Consolidated future financial implications of the capital budget								
Vote Description	Ref	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Present value
<u>Capital expenditure</u>	1							
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-				
Vote 2 - MUNICIPAL MANAGER'S OFFICE		-	-	-				
Vote 3 - BUDGET AND TREASURY OFFICE		60	70	80				
Vote 4 - INFRASTRUCTURE DEVELOPMENT		31,945	35,855	30,564				
Vote 5 - CORPORATE SERVICES		1,622	2,682	2,110				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		33,627	38,607	32,754	-	-	-	-
<u>Future operational costs by vote</u>	2							
Vote 1 - EXECUTIVE AND COUNCIL								
Vote 2 - MUNICIPAL MANAGER'S OFFICE								
Vote 3 - BUDGET AND TREASURY OFFICE								
Vote 4 - INFRASTRUCTURE DEVELOPMENT								
Vote 5 - CORPORATE SERVICES								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
<u>Future revenue by source</u>	3							

Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		33,627	38,607	32,754	-	-	-	-

## 5.11 Capital expenditure details

The following three tables present details of the municipality capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

LIM342 Mutale - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		-	20,951	-	-	8,165	-	4,055	5,000	-
Infrastructure - Road transport		-	10,475	-	-	8,165	-	4,055	5,000	-
Roads, Pavements & Bridges			10,475			8,165		4,055	5,000	-





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Gas										
Other	3									
<u>Community</u>		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
<u>Heritage assets</u>		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<u>Other assets</u>		-	-	-	2,640	1,962	-	2,733	2,881	3,036
General vehicles					1,097	882		1,228	1,294	1,364
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment					750	450		550	580	611
Computers - hardware/equipment					57	70		300	316	333
Furniture and other office equipment					235	160		105	111	117



LIM342 Mutale - Supporting Table SA34d Depreciation by asset class										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<u>Depreciation by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		103	321	-	624	913	913	118	424	445
Infrastructure - Road transport		-	203	-	271	450	450	-	300	315
<i>Roads, Pavements &amp; Bridges</i>		-	203		271	450	450	-	300	315
<i>Storm water</i>						-	-			
Infrastructure - Electricity		103	117	-	291	291	291	-	-	-
<i>Generation</i>		103	117			-	-			
<i>Transmission &amp; Reticulation</i>					291	291	291	-	-	-
<i>Street Lighting</i>						-	-			
Infrastructure - Water		-	-	-	60	60	60	-	-	-
<i>Dams &amp; Reservoirs</i>		-	-			-	-			
<i>Water purification</i>		-	-			-	-			
<i>Reticulation</i>					60	60	60	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>						-	-			
<i>Sewerage purification</i>						-	-			
Infrastructure - Other		-	-	-	1	112	112	118	124	130
<i>Waste Management</i>					1	112	112	118	124	130
<i>Transportation</i>	2					-	-			
<i>Gas</i>						-	-			
<i>Other</i>	3	-	-			-	-			
<u>Community</u>		22	59	-	68	68	68	72	75	79
Parks & gardens						-	-			
Sportsfields & stadia		22	59		39	39	39	42	44	46
Swimming pools						-	-			
Community halls						-	-			



[illegible]

<u>Intangibles</u>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other ( <i>list sub-class</i> )										
Total Depreciation	1	834	1,165	-	1,351	1,725	1,725	975	1,325	1,390

## 5.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

### 1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipal's website.

### 2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the municipality has successfully employed and trained 7 interns through this programme and a majority of them were appointed either in the municipality or other Institutions.

### 3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

### 4. Audit Committee

An Audit Committee has been established and is fully functional.

### 5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2014/15 MTREF in May 2014 directly aligned and informed by the 2014/15 MTREF.

### 6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

### 7. MFMA Training

All the employees in the Budget and Treasury Office are busy with the training. (Others have just started while some are finalizing the program.

### 8. Policies

An amendment of the Revenue Management, Budget and Tariff policies will be finalized during public participation

## 5.13 Other supporting documents

LIM342 Mutale - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>	6										
Total Property Rates		764	3,111	3,316	5,000	2,300			2,300	2,300	2,300
<i>less Revenue Foregone</i>					1,000	150			150	150	150
Net Property Rates		764	3,111	3,316	4,000	2,150	-	-	2,150	2,150	2,150
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-
<u>Service charges - refuse revenue</u>	6										
Total refuse removal revenue		196	193	225	1,080	600			1,000	1,049	1,106
Total landfill revenue											
<i>less Revenue Foregone</i>					54	7			57	60	7
Net Service charges - refuse revenue		196	193	225	1,026	593	-	-	943	989	1,098
<u>Other Revenue by source</u>											
<i>Licenses &amp; permits</i>		2,046	346	1,750							
<i>Buildings Approval</i>					69	82			86	91	96
<i>Penalties</i>					106	33			13	13	14
Refuse bag sales									-	-	-
Admin charges					182	200			211	223	235
AdvertisinG					250	250			264	278	293
Tourism fees					130	160			169	178	188
Profit on sale of asset					26	138			-	-	-
Supplier's registration					57	57			61	64	67
EPWP				290	-	-			-	-	-

[illegible]

[illegible]

Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure		2,085	7,124	8,288	6,360	4,562			5,373	5,663	5,969
Total Repairs and Maintenance Expenditure	9	2,085	7,124	8,288	6,360	4,562	-	-	5,373	5,663	5,969

**LIM342 Mutale - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)**

Description	Ref	Vote 1 - EXECUTIVE AND COUNCIL	Vote 2 - MUNICIPAL MANAGER'S OFFICE	Vote 3 - BUDGET AND TREASURY OFFICE	Vote 4 - INFRASTRUCTURE DEVELOPMENT	Vote 5 - CORPORATE SERVICES	Vote 15 - [NAME OF VOTE 15]
R thousand	1						
<u>Revenue By Source</u>							
Property rates				2,150			
Property rates - penalties & collection charges							
Service charges - electricity revenue							
Service charges - water revenue							
Service charges - sanitation revenue							
Service charges - refuse revenue					943		
Service charges - other							
Rental of facilities and equipment						75	
Interest earned - external investments				320			
Interest earned - outstanding debtors				1,000			
Dividends received							
Fines						201	
Licences and permits						3,282	
Agency services							
Other revenue			169	61	2,086	1,488	
Transfers recognised - operational				69,062			
Gains on disposal of PPE							



LIM342 Mutale - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
<b>ASSETS</b>											
<u>Call investment deposits</u>											
Call deposits < 90 days											
Other current investments > 90 days											
Total Call investment deposits	2	-	-	-	-	-	-	-	-	-	-
<u>Consumer debtors</u>											
Consumer debtors		3,444	6,354	9,846	7,001	7,001	7,001		5,000	5,000	5,000
Less: Provision for debt impairment		559	-	-	2,000	2,000	2,000		2,112	2,226	223
Total Consumer debtors	2	4,003	6,354	9,846	9,001	9,001	9,001	-	7,112	7,226	5,223
<u>Debt impairment provision</u>											
Balance at the beginning of the year		5,664							538	538	538
Contributions to the provision		-									
Bad debts written off		(1,091)			2,000	2,000	2,000		2,112	2,226	223
Balance at end of year		4,573	-	-	2,000	2,000	2,000	-	2,650	2,764	761
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		47,704	89,686	73,657	108,850	133,260	133,260		150,604	189,210	221,964
Leases recognised as PPE	3		-	-	570	570	570				
Less: Accumulated depreciation			9,259		-	11,474	11,474		14,474	17,636	3,333
Total Property, plant and equipment (PPE)	2	47,704	80,427	73,657	109,420	122,356	122,356	-	136,129	171,574	218,631
<b>LIABILITIES</b>											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		243	274	309	1,153	1,153	1,153		433	108	-
Total Current liabilities - Borrowing		243	274	309	1,153	1,153	1,153	-	433	108	-



<u>Trade and other payables</u>											
Trade and other creditors		15,923	20,769	18,874	7,001	7,001	7,001		4,000	4,000	4,000
Unspent conditional transfers		17,273	12,835	–					–		
VAT		4,928	–	–					–		
<b>Total Trade and other payables</b>	<b>2</b>	<b>38,124</b>	<b>33,604</b>	<b>18,874</b>	<b>7,001</b>	<b>7,001</b>	<b>7,001</b>	<b>–</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>
<u>Non current liabilities - Borrowing</u>											
Borrowing	4	1,432	1,158	849	2,652	2,652	2,652		500	433	–
Finance leases (including PPP asset element)		177	69		570	570	570		–	–	–
<b>Total Non current liabilities - Borrowing</b>		<b>1,609</b>	<b>1,227</b>	<b>849</b>	<b>3,222</b>	<b>3,222</b>	<b>3,222</b>	<b>–</b>	<b>500</b>	<b>433</b>	<b>–</b>
<u>Provisions - non-current</u>											
Retirement benefits											
<i>List other major provision items</i>											
Refuse landfill site rehabilitation				1,723	1,000	800	800		–	–	–
Other											
<b>Total Provisions - non-current</b>		<b>–</b>	<b>–</b>	<b>1,723</b>	<b>1,000</b>	<b>800</b>	<b>800</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>CHANGES IN NET ASSETS</b>											
<u>Accumulated Surplus/(Deficit)</u>											
Accumulated Surplus/(Deficit) - opening balance					5,015	117,969	117,969		105,698	136,665	188,110
GRAP adjustments											
Restated balance		–	–	–	5,015	117,969	117,969	–	105,698	136,665	188,110
Surplus/(Deficit)		10,134	(26,580)	54,555	28,423	50,409	50,409	–	35,086	53,663	53,765
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
<b>Accumulated Surplus/(Deficit)</b>	<b>1</b>	<b>10,134</b>	<b>(26,580)</b>	<b>54,555</b>	<b>33,438</b>	<b>168,377</b>	<b>168,377</b>	<b>–</b>	<b>140,785</b>	<b>190,328</b>	<b>241,875</b>
<u>Reserves</u>	<b>-</b>										
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
<b>Total Reserves</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>10,134</b>	<b>(26,580)</b>	<b>54,555</b>	<b>33,438</b>	<b>168,377</b>	<b>168,377</b>	<b>–</b>	<b>140,785</b>	<b>190,328</b>	<b>241,875</b>

LIM342 Mutale - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<u>Demographics</u>		Census count/estimate										
Population		Census count/estimate			17	19	21	23	25	27	30	33
Females aged 5 - 14		Census count/estimate			17	19	21	23	25	27	30	33
Males aged 5 - 14		Census count/estimate			14	16	18	19	21	23	26	28
Females aged 15 - 34		Census count/estimate			12	13	14	16	17	19	21	23
Males aged 15 - 34		Census count/estimate			9	10	11	12	13	14	16	18
Unemployment		Census count/estimate			9	9	10	10	11	11	12	13
<u>Monthly household income (no. of households)</u>	1, 12	-										
No income												
R1 - R1 600		Census 2007										
R1 601 - R3 200		Census 2007			5,265	5,792	6,371	7,008	7,708	8,479	9,327	10,260
R3 201 - R6 400		Census 2007			1,757	1,933	2,126	2,339	2,572	2,830	3,113	3,424
R6 401 - R12 800		Census 2007			1,766	1,943	2,137	2,351	2,586	2,844	3,129	3,441
R12 801 - R25 600		Census 2007			792	871	958	1,054	1,160	1,276	1,403	1,543
R25 601 - R51 200		Census 2007			59	65	71	79	86	95	105	115
R52 201 - R102 400		Census 2007			117	129	142	156	171	188	207	228
R102 401 - R204 800		Census 2007			-	-	-	-	-	-	-	-
R204 801 - R409 600		Census 2007			185	204	224	246	271	298	328	361

R409 601 - R819 200		Census 2007			3	3	4	4	4	5	5	6
> R819 200		Census 2007			-	-	-	-	-	-	-	-
		Census 2007			-	-	-	-	-	-	-	-
<u>Poverty profiles (no. of households)</u>												
< R2 060 per household per month	13											
Insert description	2											
<u>Household/demographics (000)</u>												
Number of people in municipal area		Census count/estimate			131 781	132 781						
							132	145	159	175	193	212
Number of poor people in municipal area		Census count/estimate					105	116	128	140	154	170
Number of households in municipal area		Census count/estimate					24	27	29	32	35	39
Number of poor households in municipal area		Census count/estimate										
							18	19	21	24	26	28
Definition of poor household (R per month)		Census count/estimate					1,100	1	1	1	2	2
<u>Housing statistics</u>	3											
Formal		Census count/estimate			20,859	22,945	25,239	27,763	30,540	33,594	36,953	40,648
Informal		Census count/estimate			201	221	243	268	294	324	356	392
Total number of households		Census count/estimate	-	-	21,060	23,166	25,483	28,031	30,834	33,917	37,309	41,040

Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
<u>Economic</u>	6											
Inflation/inflation outlook (CPIX)										13.0%	13.0%	13.0%
Interest rate - borrowing										12.0%	12.0%	12.0%
Interest rate - investment			-	-	-					9.0%	9.0%	9.0%
Remuneration increases										7.0%	7.0%	7.0%
Consumption growth (electricity)												
Consumption growth (water)												
<u>Collection rates</u>	7											
Property tax/service charges								40.0%	50.0%	60.0%	60.0%	60.0%
Rental of facilities & equipment						100.0%	80.0%	80.0%	70.0%	90.0%	90.0%	90.0%
Interest - external investments										100.0%	100.0%	100.0%
Interest - debtors										50.0%	50.0%	50.0%
Revenue from agency services										100.0%	100.0%	100.0%

## 5.14 Municipal manager's quality certification

I **Razwiedani Shumani Samuel** , acting municipal manager of Mutale municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Marutha Ramadiga

Chief Financial Officer of Mutale local Municipality

Signature \_\_\_\_\_

Date \_\_\_\_\_

Print Name: Razwiedani Shumani Samuel

Municipal Manager of Mutale local Municipality (LIM342)

Signature \_\_\_\_\_

Date \_\_\_\_\_

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